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Running Scared

Defenders of capitalism are running scared. They do not like this particular economic crisis because it has swept away economic liberalism, as a set of ideas and beliefs justifying a harmonious capitalism. Clearly, capitalism is not harmonious: it is chaotic and destructive. The media also have to defend capitalism as a social system. The DAILY MAIL, for example, has given its journalists the task of defending the profit system. Here is Andrew Alexander :

We have already heard claims that today's crisis marks the end of capitalism. Yet this cannot be so. Capitalism is ingrained in human nature. We trade, we buy and sell. We borrow, we lend, we save (31 October 2008).

Capitalism is not ingrained in human nature. Capitalism has not always existed. It is barely 200 years old as a fully developed world system of class exploitation. Before capitalism, there were other social systems, each claiming in their own way that the social order they favoured was natural, or ordained by God to last forever.

And do millions of workers feel grateful to capitalism for having to enter the labour market, sell their ability to work, and then produce more social wealth than they receive in wages or salaries? Workers to survive have to sell their labour power on the wages system. They have no choice except hardship. They do not own the means of production. This is not natural, but historical and social. The capitalist class came into power through class struggle, and they will lose their power to exploit through class struggle.

In fact, we do not continually buy and sell. Millions give their time freely in bringing up children, and in cultivating relationships and friendship. Many give selfless time to trade unions. Some workers - and unfortunately it is only some workers - give their time freely for the Socialist objective of replacing capitalism with common ownership and democratic control of the means of production by all of society.

Human behaviour changes. Under certain circumstances, it can be brutal and cruel. But it does not necessarily have to be that way. Men and women could arrange society where production is for social use, where labour is voluntary, and where social harmony rather than competition is regarded as the important value for human behaviour to pursue.

NOTE: In this edition of Socialist Studies we have devoted many articles to the current economic crisis - one which the Labour Government said would not occur again. Economic crises are part and parcel of the general failure of

capitalism to meet the needs of all society. The only solution to the failure of capitalism to meet the needs of the majority of the world's population - the working class - is to replace private property ownership with Socialism.

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From Discontent to Socialism

The various public opinion polls are not always a precise guide to what people think and feel, but one thing they establish beyond any question is the very large proportion of workers who are actually discontented with their conditions of life. No pollster wastes time asking “*Are you happy?*” - always it is in the form “*Which of your many hardships and frustrations upsets you most?*” And we welcome the fact that at least the discontented are not generally passive; on the contrary, they are impatient to have something done as quickly as possible.

They divide roughly into two groups: the ones who are content to try to change from within the leadership and policies of the large political parties, and the others - including the so-called left-wing organisations of all kinds - who want to do it themselves and have a go at direct action.

Some of the discontented and disillusioned take a passing glance at The Socialist Party of Great Britain – as regards most of them simply to write us off as too slow, too theoretical, too narrow, and too “*un-revolutionary*”. Why, they ask, don't we unite with “*the other Socialist bodies*” to spread the revolution by political strikes, demos, riots, bomb-throwing or guerrilla action, whichever happens to be their favourite tactic. Why, they ask, does the Socialist Party of Great Britain refuse to recognize the achievement of what was once the Soviet Union, China, Cuba, etc and stand aside theorising, while the real battle is being fought by the “*revolutionaries*”.

The first point to get clear is what constitutes being revolutionary. The Socialist Party of Great Britain is a revolutionary organisation because its object is to bring about a complete, revolutionary, change in the structure of society, to replace capitalism with Socialism. Action to bring about changes of the law within capitalism, or to get higher wages, is not revolutionary; and trying to achieve these changes by violence or law-breaking does not thereby become revolutionary. It is not true that the Socialist Party of Great Britain is just one of a number of organisations having Socialism as its aim, and that what divides us from them is only the question of method.

Our aim is a Socialist system but that is not their aim. This is true even though some of them carry as a mere piece of decoration the aim of the “*ultimate*” Socialist objective, which however in no way guides their policies and tactics, and will never be achieved by the activities they carry on. Our aim is Socialism, not state capitalism or the reform of capitalism; and we do not want, either in the long or short term, to see workers wasting their time and energy on electing Labour governments to run capitalism, or governments pursuing the dead end of a Russian state capitalism system.

Our case is that the problems of the working class – poverty, exploitation, unemployment, wars, etc – from which the working class suffers in all countries in the world without exception, cannot be resolved either by peaceful reformism or by violent direct action, and that the revolutionary principles of the Socialist Party of Great Britain are the only way to achieve the Socialist solution.

For us the end and the means are in harmony. The future Socialist system of society embodying common ownership and democratic control, and operating in the interests of the whole community, will require the understanding and co-operation of the great mass of the population: Socialism cannot be imposed from above. So, even if it were theoretically possible for a minority favouring Socialism to come to power, they would be quite unable to introduce Socialism.

It follows therefore that the paramount need, before Socialism becomes a practical possibility, is that the great majority of the working class must be won over to an understanding of capitalism and Socialism.

This is the task facing the Socialist movement, a task totally ignored by the social reformists and the direct action

movements. Their defence has always been that propagating Socialism is useless because the working class cannot understand it. How would they know – for they have never tried? In greater or less degree, they all share Lenin’s contemptuous attitude towards the workers’ ability to understand it.

In place of working class understanding, they offer inspired guidance by the leader of the “*intellectual minority*”, which in practice degenerates into wrangling and feuding about who is the proper leader, and how to prevent betrayal by the chosen ones. Their demand is for ‘good leaders’: ours is for understanding, where no leaders take part. When the Socialist Party of Great Britain was formed it was recognised that, as Engels wrote in the Preface to Marx’s CLASS STRUGGLES IN FRANCE: “*So that the masses may understand what is to be done, long and persistent work is required*”.

It has been a longer task than Engels or the SPGB anticipated but there is no other way, there are no short cuts. When that task has been completed the Socialist working class needs to gain control of the machinery of government, including the armed forces, in order to take away from the capitalist class and their agents the power to dominate society, and thus to clear the way for Socialism.

Having said this, we meet the argument of the defeatists who say: suppose the capitalists or some minority of them or some military group refused to relinquish their hold: – would this not prove the weakness of the SPGB argument? In their support, they point to examples of ruling class groups who in fact have defied civil authorities and parliamentary majorities.

Their supposed evidence is utterly irrelevant. We are relying on an internationally united working class, something which has never yet been in the world or any part of the world. When the world working class is overwhelmingly Socialist, Socialists will predominate, or at least be in a position of strength, throughout capitalist production, distribution and administration, not excluding the armed forces – in the factories and in the workshops, in transport and communications, in the trade unions, in the government and local-government services. In such a situation, any attempt to thwart the will of society would at worst be a nuisance, a futile gesture, not a serious impediment.

It is not the Socialist who is being foolish in seeking to gain democratic control of the machinery of government and the armed forces, but the advocates of direct action. They first tell the workers to place in power political parties like the Labour Party, which use their governmental position to perpetuate capitalism, and then tell the workers to take direct action against that government and the armed forces it controls.

Even within the narrow framework of their reformist aims, the “*left-wingers*” who advocate violence and direct action are short-sighted. History is full of examples of reactionary governments capitalising on violence and disorder (even on occasion using *agent provocateurs* to promote it), and by proclaiming themselves the protectors of “*law and order*”, winning the support of sections of the electorate which would otherwise not give them much support.

One last word on the discontent about the hardships and evils of modern capitalism. Efforts to improve capitalism either by peaceful reforms or by direct action are not new. The present discontents come after a hundred years of activities. These activities were supposed to remove the evils – from war to unemployment, from poverty to bad housing, from overwork to high prices. Hundreds of struggles have been fought, hundreds of reform measures have been put on the statute books, hundreds of demonstrations for peace and disarmament conferences have been held – and not one of those evils has been removed. In effect, we are being asked to waste another hundred years more of the same.

Correcting Lenin, we may say that unless the working class throw overboard their faith in reforms, with or without direct action, and their trust in leadership, and turn their minds to Socialism, capitalism and its discontents will still be with us in five hundred years – unless before then war pushes us back into a new dark age.

From THE COMMUNIST MANIFESTO, 1848

All previous historical movements were movements of minorities, or in the interest of minorities. The proletarian movement is the self-conscious, independent movement of the immense majority, in the interest of the immense

Marx and Crises

Capitalism is going through one of its periodic economic crises which the present Labour Government claimed were never going to occur again. No more “*boom and bust*” we were told by Gordon Brown. Houses are now being repossessed, some 26,000 in 2008 (CHANNEL 4 NEWS, 9 October 2008), companies are going bankrupt, the unemployment figures are going up to a level not seen for 17 years, and economists are using the weasel word “*recession*” again. To bale out the banking system the government was forced to inject some initial £50 billion pounds, with billions more to follow.

At the end of August this year, Alistair Darling, the Chancellor of the Exchequer, stated that the economy was at a 60-year low, leaving the voters, to use his expression, “*pissed off*” (Guardian, 30 August 2008). Rather than being “*pissed off*”, the voters - that is the working class majority - should not have voted for the Labour Party in the first place.

Workers should steer clear of any political party wanting to administer the profit system. And if workers had read Marx on capitalism, then they would have understood why “*boom and bust*” is a feature of commodity production and exchange for profit, something which governments can do nothing about.

Workers would have also realised that capitalism can never be run in their interest. Periods of high unemployment, social alienation and hardship are a fact of life under capitalism.

Where now for capitalism?

The BBC recently broadcast an on-line programme called WHERE NOW FOR CAPITALISM? (19 September 2008). Economic crisis, trade depression, contradictions of capitalism, and Marx - all contained in one BBC programme. However, there were no Socialists present; no-one who could bring Marx’s ideas to the debate.

Instead, there was the ubiquitous Tony Benn decrying the lack of market regulation and wanting a return to the security of government control of the finance markets - as if that ever prevented economic crises.

Peter Jay, the economist, a Bank of England director and former BBC economics editor, claimed: “*we had grown cynical of Marxist talk of the contradictions of capitalism because Marxism itself had by the 1970s failed, while capitalism thrived...*” He went on to conclude that the “*failure of Marxism*” was the reason why “*its acolytes were discredited*”.

We presume what Peter Jay meant by ‘Marxism’ were the economies of pre-1990s Eastern Europe, and the nationalisation policies of the Labour Party, none of which were ‘Marxist’ or ‘Socialist’. Peter Jay admitted that most of his ideas about Marxism came from his friend, the late Paul Foot, one-time leader of the Socialist Workers Party.

It is doubtful if Jay would know what was meant by “*the contradictions of capitalism*”, even if it hit him over the head. The same would apply to Marx’s ideas. Marxism is not an economic system but a scientific understanding and critique of capitalism. Socialism has never existed: nowhere in the world has there been common ownership and democratic control of the means of production and distribution by all of society.

The monetarist, Professor Minford, an economist at Cardiff University and one-time adviser to Margaret Thatcher, claimed that despite the financial turmoil “*capitalism has a good record of dramatically raising the world’s living standards over long periods of time*”. How and at what cost we were not told. A sizeable number of the world’s

population live on less than \$2 a day. Peasants are forced into Chinese and Indian cities as wage-slaves and their standard of living mirrors Engels's description of Manchester in the 1840s. Yet, according to Dr Minford, this has "*improved*" from when they eked out an existence on the land, .

Brendon Barber, the General Secretary of the TUC, said: "*This is not the final crisis of capitalism, but it ought to be the end of the road for a particular version of it.*" He went on to say: "*the truth is that there is no single economic model for capitalism*".

There is only one capitalism; a capitalism where the means of production are held in private by a capitalist class and where the working class are exploited, producing what Marx called 'surplus value'. The TUC leaders, wanting to sit at the table with governments and employers, have forgotten what their function is, just as they abrogate the class interests of their members by giving vast sums to the Labour Party, which in turn, as a capitalist government, attacks the working class.

If you type "*Karl Marx*" into the TUC database on their website, you will only find one or two references to him. The TUC's latest pamphlet, DO THE RICH REALLY MATTER? (2008), has no acknowledgement to him at all. They did not even try to refute Marx's scientific account of exploitation and crises. It is as though his ideas are dead.

Is Marx a "*dead dog*" as he once remarked about the philosopher, G W Hegel? Socialists think not. We would say with the poet Yeats: "*Was there a dog that praised its fleas?*"

A Deep Crisis

And so the economic crisis continues, with six countries in October of this year having to beg the IMF for money, as capital leaves the emerging capitalist markets of Hungary, Iceland, Belarus, Ukraine, and Pakistan (now in civil war on its Afghanistan border, as a proxy agent for US imperialism in the region).

The BBC (23 October 2008) had the following headlines:

- *Gloomy forecasts for UK economy*
- *Pound tumbles to a five-year low*
- *Factory gloom "worst since 1980"*
- *UK government borrowing at 60-year high*
- *Economy already in recession*
- *Jobless risk highest for 17 years*

Two bullet points are missing from this list. First, the BBC did not say Gordon Brown was utterly and hopelessly wrong when he said boom and bust was finished "*forever*". And secondly, the BBC did not go on to say that Marx was right all along about capitalism and crises.

The Labour Party has boasted for ten years that under its watch there were to be no more booms and slumps. They thought that the Bank of England, through the interest rate mechanism, would ensure economic stability and constant growth. As with many things regarding the profit system, the Labour Party has been hopelessly wrong. Unemployment is now higher than it was ten years ago when the Labour Party came into power in 1924.

Here is Gordon Brown, opening Lehman's new European headquarters in Canary Wharf, on 5 April 2004:

Lehman Brothers is a great company today that can both look backwards with pride and look forward with hope. And in wishing Lehman Brothers the success it deserves for its future, let me thank you for the privilege of being here and formally declare this new building open.

Four years later, there was no future for the bank as Lehmans went under with the loss of 4,000 jobs and very little hope that many former employees - leaving the office clutching cardboard boxes filled with personal items - would find quick re-employment. Many workers at Lehmans had invested their bonuses in the company's shares, and lost

everything. The average salary was \$300,000. Some could not believe they were members of the working class. Unemployment pricks such shallow pretensions.

Not all of those at Lehman's found themselves on the dole. At the beginning of the 1929 Wall Street crash, it was reported - although subsequently it was proved unfounded - that some brokers threw themselves out of multi-storey buildings, as the value of shares fell.

Times have changed. During the current banking crisis, three executives grabbed their coats and "parachuted" to safety out of Lehman's Wall Street building, taking with them £10 million in bonuses and making a soft landing on the pavement below, into waiting chauffeur-driven cars, and off to their yachts and villas in the sun.

Marx noted a truth about capitalism, with its reliance on "*gambling on the stock exchange, where the little fish are swallowed up by the sharks and the lambs by the stock exchange wolves*" (CAPITAL VOLUME III, chap. XXVII, *The Role of Credit in Capitalist Production*, p 440). This point remains as true today as it was in the nineteenth century, when no-one had even dreamt of 'credit derivatives'.

The Impregnability of the Socialist Cause

Professor after professor has wrecked his reputation in an endeavour to establish the unsoundness of Socialist economics. They have each come forward with a flourish of trumpets and retired discomfited. The Marxian standpoint has stood the test of every kind of criticism that can possibly be levelled against it. The essentials of Socialism have never been successfully criticised, and these essentials are that "*The working class produce all the wealth and should own and control it*". That doctrine is impregnable.

From **The Socialist Party v The Liberal Party**
being a Report of a Debate between
J. Fitzgerald representing
The Socialist Party of Great Britain
and A. H. Richardson, M.P. (Peckham) on June 1st, 1911

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A Crash Landing

Mr Straw (BBC, 31 August 2008) likened British capitalism's current economic situation to an airliner passing through turbulence:

The question for the country is who is better to take us through this turbulent period. Is it an experienced pilot and co-pilot in Gordon Brown and Alistair Darling, who have had the experience... or is it two people in David Cameron and George Osborne, who have had no experience of flying a large plane whatsoever?

Clearly the wrong question. The question for the working class, who make up the majority of people in the country, is whether they really want to travel on an airplane they do not own, flown by pilots who have no interest in what happens to them when they land but accept their votes. And surely this turbulent period should not be happening. No more "*boom and bust*" – or so we were told by Mr Brown. And precisely what is the "*experience*" of this pilot and his co-pilot? *They* do not understand the cause of the turbulence, any more than Cameron and Osborne do.

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Obama's Nightmare

Barack Obama in the course of his presidential campaign played a lot on the “*I have a dream*” theme of Martin Luther King. In the forty-five years since King’s time, there have always been extremes of riches and poverty in America - also wars and constant preparation for war.

We have had the 21 months of euphoric, personality-worship and ‘great expectations’. Now let us look at some of the realities back in the real world.

In his victory speech as President-elect, Obama said: “*To those who would tear the world down, we will defeat you.*”

He spoke as he had throughout, standing between sheets of bullet-proof glass. He did not have in mind those people whose world was torn down by American bombing in Yugoslavia (Serbia), Vietnam or Korea, but to “*defeat*” any rival world power, he is aware that he will need to “*build a 21st century military*” (NEW STATESMAN, 15 September 2008). The same source tells us that America already has “*730 bases worldwide on which it spends 42 cents of every tax dollar*”.

It is an amazing fact that neither Obama nor McCain mentioned what their real task would be if elected. That task is to be responsible for running American capitalism, and it has fallen to Barack Obama. Whatever policies he pursues, this will prove to be his nightmare. On BBC NEWSNIGHT (5 November 2008), one commentator said: “*The economy is in intensive care*”.

Obama likes to delude himself and the American workers that “*all things are possible in America*”. As a speaker, he knows how to sound plausible, but he is in reality just a phrase-monger selling capitalism.

His policies and his limitations will be set by the fact that a minority class owns the means of production and the great majority are employees – wage-slaves. He cannot serve the interest of both classes since one lives from the exploitation of the other.

Despite the extreme intensity of the hype, the salesmanship-persuasion, the nationalist brainwashing, the mass rallies, televised political commercials, and the highly charged “*change*” theme, more than one-third of the electorate did not buy it and did not vote. Eleven million of those who did were first-timers, and the race card, having been worked like mad, brought out black people who usually did not vote. The hysteria among crowds of black people after the result is no substitute for understanding capitalism, and being class (not race) conscious.

Although the Obama camp made much of his ‘education’, having studied political science at Columbia University and law at Harvard, he has probably never read anything by Marx and Engels in his life. He studied law but does not know that profits arise from legalised robbery. They don’t teach that at Harvard.

In the do-gooder chatter of Obama and McCain, capitalism was not mentioned by either of them. Yet it is this system that Mr Obama is now responsible for running. It is as if they knew that calling the system of wars and poverty by its real name is to admit they can do nothing about it. If the faults can all be blamed on past administrations, poor leadership and bad government policies, then – given a man of courage and the right will – things can be changed. Obama will learn to distinguish between dreams and reality – the hard way!

Tragically, the victims of this system, the working class, have imbibed its mythology. They endorse its nationalism, follow its leaders, fight its wars, and suffer its poverty and unemployment. Just how far behind the times they are can be seen from reading what Marx and Engels wrote, 160 years ago, in THE COMMUNIST MANIFESTO:

Communists might possibly be reproached with desiring to abolish countries and nationalities. The working men have no country. We cannot take from them what they have not got.

And Mr Obama does not understand the nature of the state:

The executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie.
Engels, THE ORIGIN OF THE FAMILY, PRIVATE PROPERTY AND THE STATE

Engels looked forward to the state being cast into the Museum of Antiquities, along with the bronze axe (see pp 211-2).

What Will Change?

Given America's appalling and barbaric history of racism, it is understandable that a lot of black people in America see "*change*" in terms of skin colour, but they need to look further.

Capitalism is a system of rich and poor, haves and have-nots, buying and selling, banks, insurance firms and financial corporations. It is a system of owners and non-owners of the means of production, where housing like everything else is for profit. Homelessness goes with repossession, tent cities, and unemployment. More than this, it is the society of wars and armaments with endless conflicts over oil, and profitable markets.

But when Obama talks of "*change*", he intends to change none of this. This is capitalism.

In July, during his visit to Berlin, Obama spoke of a world without nuclear weapons, an end to the war in Iraq, and the defeat of terrorism – but no hint of how all this should be done.. And he went on to say:

No one welcomes war. But my country and yours have a stake in seeing that NATO's first mission beyond Europe's borders is a success... The Afghan people need our troops and your troops. THE INDEPENDENT, 25 July 2008

There have been talks about nuclear disarmament before. But nothing happened. Indeed, there are now more nuclear powers. Terrorism co-exists with America's militaristic foreign policy: in declaring his intention to build a modern, 21st century, military force, Obama is set to continue this policy.

During the presidential election campaign, both Condaleezza Rice and Obama referred to Russia as "*dangerous*". Obama has pointedly not said he will withdraw Bush's missiles from former Soviet group countries, so the Russian response to fit nuclear warheads to its submarines and surface fleet (SUNDAY TIMES, 17 August 2008) will remain a menace to humanity.

Finally, it is worth noting that the Marxist view of the state, as a product of class society that will cease to exist with the establishment of Socialism, is as little understood by the assorted Trots, Lefties and Commies as it is by John McCain, who takes the same view: that nationalisation means Socialism. They regard Soviet capitalism and state capitalism in China and Cuba as 'socialist': so too does McCain, but he opposes it while they support it.

In reality, the change to Socialism will be the only *real change*, meaning the end of the nation state, the abolition of the wages system, and of the market economy. Socialism will be a worldwide society, wherein the means of production and world resources will be held in common by all mankind. All the goods and services, food, clothing and shelter etc., that are needed for a full and happy life will be produced abundantly, to freely meet the needs of all people. There will be no militarism or wars, so every task that is undertaken will be directly for the well-being of everyone.

From THE COMMUNIST MANIFESTO, 1848

The working men have no country. We cannot take from them what they have not got... National differences, and antagonisms between peoples, are daily more and more vanishing, owing to the development of the bourgeoisie, to freedom of commerce, to the world market, to uniformity in the mode of production and in the conditions of life corresponding thereto... In proportion as the antagonism between classes within the nation vanishes, the hostility of one nation to another will come to an end

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Not Forgotten: Socialists Who Refused To Fight

The 11th of November 2008 marked the 90th anniversary of the end of the First World War, and the media have been full of stories of “*lost youth*”, those who “*gave their lives for King and Country*”. The programmes and articles were predictable: not one analysed the conflict from a Socialist point of view.

There was one documentary on the First World War which looked promising. This was Ian Hislop’s documentary about conscientious objectors: NOT FORGOTTEN: THE MEN WHO WOULDN’T FIGHT.

The idea of “*consciousness objection*” was enshrined in the 1916 Military Services Act, and more than 16,000 men argued a case in front of tribunals to be exempted from fighting, either on the grounds of religion or morality. The programme dealt with the “*alternatives*” who would not fight but help in the war effort, and the “*absolutists*” who would have nothing to do with the war at all.

Those who were forgotten in that programme were Socialists. Socialists from the Socialist Party of Great Britain had opposed the war on grounds of class as soon as the war broke out in 1914, and the Party’s argument against it was published in the September 1914 SOCIALIST STANDARD, under the heading *The War and The Socialist Position*.

The SPGB was absolutist in its opposition to the war; not on religious or moral grounds, but because the war was not fought in the interests of the working class.

Workers owned only their ability to work. Workers had more in common with workers elsewhere in the world than they did with the capitalist class who owned the means of production. It was a capitalist war fought over trade routes, spheres of influence, markets and raw materials.

The outbreak of war in 1914 highlighted the weakness of the Social Democratic parties, who sacrificed the class struggle for Socialism to discussions as to whether the war was offensive or defensive. All over the world, alleged Socialist parties sided with their respective governments. Only the Socialist Party of Great Britain remained opposed to the war, on the ground that the workers had nothing to gain or lose in victory or defeat.

Immediately the war broke out its (the SPGB’s) Executive Committee passed a resolution declaring that anyone who supported the war was unfit for membership of a Socialist Party.

THE COMMUNIST MANIFESTO AND THE LAST HUNDRED YEARS

SPGB 1948, republished by the reconstituted Socialist Party of Great Britain, 2007, p 31

Most of the SPGB members who were conscripted applied to the tribunals set up to consider applicants for exemption, but mostly without success.

The tribunals were composed usually of local notabilities and councillors, with a labour specialist and a military representative. In towns where the SPGB had been active the notabilities often were people who had smarted for years under the members’ taunts, and the tribunal hearings were simply displays of defiance against the inevitable judgement. Their application dismissed, the members would shout “long live Socialism!” and, if there were enough of them in court, sing a chorus of The Red Flag before the constables removed them...

Robert Barltrop, THE MONUMENT: THE STORY OF THE SOCIALIST PARTY OF GREAT BRITAIN, Pluto Press, 1975, p 56

Socialists were imprisoned for taking a Socialist line against the war. One member, Tom West, was in the Tower of London. Another, Hardy (son of a founder-member and an active Socialist through many decades) retained the lifelong habit he had formed in jail, of pacing to and fro a set number of steps determined by the size of his prison cell. Post-war, such men found it hard to get jobs, and were denied the vote.

These Socialists are not forgotten. They and their other comrades took a courageous and principled stand against world capitalism with its wars, poverty, and class exploitation. As we wrote at the time (THE SOCIALIST

STANDARD, September 1914):

Having no quarrel with the working class of any country, we extend to our fellow workers of all lands the expression of our good will and Socialist fraternity, and pledge ourselves to work for the overthrow of capitalism and the triumph of Socialism

THE WORLD FOR THE WORKERS! August 25th 1914
The Executive Committee

WAGE WORKERS OF THE WORLD UNITE!
You have nothing to lose but your chains, you have a world to win! Marx.

From 1904 until 1914 the Socialist Party in complete independence and isolation carried on the work it had set its hand to of advancing Socialism as the only remedy for the manifold evils that afflicted the workers; pointing out that war was the inevitable outcome in a system of production that set national groups against each other in the pursuit of markets for the disposal of goods, the pursuit of sources of raw materials, and the control of trade routes to markets and sources of supply... The Party kept its promise and its attitude to the war was maintained from the beginning to the end... their Socialist principles served them as an effective sheet anchor in a world transported to the realms of jingoism by the storms of war.

From **The Communist Manifesto and the Last Hundred Years**,
SPGB pamphlet, 1948, pp 31 and 33

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Crisis and the Cost of War

Faced with the grim realities of economic crisis and even recession looming up, those superior people who draft editorials for that ‘free market’ propaganda sheet, the ECONOMIST, have had to do a U-turn. From non-interventionist policies, as per Hayek and Friedman, they now applaud neo-Keynesian, interventionist policies. The current vogue is to ‘pump-prime’ the economy, boosting demand in the hope of preventing banks and businesses from going broke.

Already in February 2008, the US Federal Bank had cut short-term interest rates by 1.25 per cent down to 3 per cent, and by the end of April the Fed’s rate had fallen yet further – down to 2 per cent. From early May, the US Treasury was issuing cheques to every household, as tax rebates “*to revive the battered economy*” (BBC CEEFAX, 28 April 2008). The sums of money involved were of course merely a token gesture: up to \$600 per individual, up to \$1200 per married couple. The total cost to the US federal budget came to \$150 billion (£75.4 billion).

Actually this “*up to \$600 or up to \$1200*” would not go very far towards compensating the average working-class household for the soaring costs of the US government’s war-mongering. In his book, THE REAL PRICE OF WAR, Joshua S Goldstein calculated in 2004 that the average American household was paying \$500 each month to finance war.

To avoid confusing his readers with talk of billions and trillions of dollars, with lots and lots of noughts, he helpfully worked out how much the cost of that war meant *per household*. Which is misleading.

Since then, the costs of the Iraq war and other ‘defence’ spending have risen substantially, and will continue to rise. Goldstein estimated that the US national debt had risen in 2004 to the point where, with borrowing rising monthly by \$500 per household, servicing the national debt – i.e. the interest paid on it – came to \$275 per household per month: more than half the amount borrowed each month.

And that was then. As of now, near the end of 2008, the average working-class household in the US has far worse problems to worry about. Stores are closing and retail workers are losing their jobs. Car dealers and manufacturers

are laying people off. In the spring of 2008, banks and other lenders were already foreclosing on mortgaged homes:

Home foreclosures in America were up by 112% in the first quarter compared with a year ago, according to RealtyTrac, a property firm. Lenders are foreclosing on one in every 194 American households. The rates were higher in the sunbelt; in Nevada it was one in every 54 households and in California one in every 78. In Riverside and San Bernardino, California's Inland Empire, the foreclosure rate was one in every 38 homes.
ECONOMIST, 26 April-2 May 2008

As Socialists know, the money spent by governments from taxation is largely raised by taxing the capitalist class – and it is only small change that comes in by way of ‘taxes’, such as VAT, levied on the working class. After all, the amount the rich spend is a lot more – *per capita* – than is spent by workers and their families. Taxes on businesses are also an important source of revenue.

As for income tax, this is ultimately a tax on the capitalist class: if that rises, in time wages are re-calculated so as still to provide sufficient for the worker to raise his family and keep up with the cost of living.

This point is relevant in considering the reality of capitalism’s wars: as Socialists have been arguing for generations, wars are not fought in the interest of the working class. The issues at stake are strategic control of major oil fields, and other mineral resources, of markets, trade routes and gas pipelines.

So governments spend vast sums on maintaining their armed forces, and providing them with the latest state-of-the-art killing equipment. But this huge expenditure is not incurred so that the state’s armed forces can protect your mother or grandmother, or defend your (mortgaged) home, or your (second-hand) car) and other paltry personal possessions – what you see as your ‘property’.

To the capitalist class and their governments, what the working class own and possess is just so much small change – apart from one unique commodity, a very precious one.

So what is it that all workers possess and which the capitalist class needs? Just this: their ‘labour power’ – their mental and physical abilities. It is only by putting this labour power to use, by exploiting it, that the capitalist class can derive its profits. That is because of the way the wages system works. Workers sell their labour power to employers for so much dosh per hour, per day, per week,, per month or per year. But the value they create in that given time is greater, in money terms, than the wages, salaries or commissions they receive by way of pay.

In producing goods or services, commodities, the working class collectively are producing a surplus, more value than they receive by way of payment. And some of this surplus is converted into capital, dead labour, with which to exploit the next generation of workers. And a great deal of this surplus value goes to making the employers even richer than before, while a lot also goes to providing the government with the money needed to buy guns and missiles, submarines and aircraft, with which to protect their capitalists’ interests – and to kill ‘foreign’ members of the working class.

Such fratricidal wars are clearly not fought in the interest of the working class. For us, the only war worth fighting is the class war, the only struggle worth fighting – the struggle for Socialism.

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Capitalism In Crisis: Who Is To Blame?

The media are playing a tiresome game of who to blame for the current crisis. The capitalist Left, like the SWP, are blaming greedy bankers, spivs, and City fat cats. The Conservatives are blaming Gordon Brown while Gordon Brown is blaming the sub-prime market in the US. The Labour-supporting GUARDIAN is blaming Margaret Thatcher’s liberalisation of the City in 1986. The INDEPENDENT blames the Government, the Bank of England and the Financial Services Agency. The DAILY MAIL sees the crisis as a result of a Trotskyist conspiracy where

former Trots like the current Chancellor of the Exchequer, Alistair Darling, burrowed, mole-like, into the Labour Party to create a financial crisis so that the Government could nationalise the banking industry. The SPECTATOR leaves the crisis at the door of President Clinton “*egalitarian*” policies in the 1990s when he bullied the banks to lend money to the poor for mortgages they could not afford to repay. The journalist Dominic Lawson, following Lord Rees Mogg, believes it is the fault of governments for leaving the gold standard. A N Wilson, a novelist, blames everyone.

What all these excuses have in common is to erroneously personalise the cause of economic crisis as though an individual or an institution could be blamed for such a seismic failure. These pundits cannot understand the cause of economic crisis, and cannot offer an objective revolutionary remedy. What they all conveniently ignore is that economic crisis is the result of the anarchy of commodity production and exchange for profit.

Yet, as supporters of the profit system, the last thing they can do is to conclude that capitalism should be abolished and replaced by Socialism. Marx who was under no political restraints gave a considered view of the cause of periodic economic crises:

...capitalist production moves through certain periodical cycles. It moves through a state of quiescence, growing animation, prosperity, overtrade, crisis and stagnation.

WAGES PRICE AND PROFIT, in Marx and Engels COLLECTED WORKS 1, Lawrence & Wishart, 1962, p 440

Marx showed that, in developed capitalism, production no longer simply moves in response to demand but has its own anti-social, independent, growth:- capital accumulation for the sake of accumulation.

If capital accumulation is carried beyond a certain limit, it will result in too much capital seeking a share of surplus value. Although the purpose of capitalist production is capital accumulation and making a profit, the more successful it is in this the more commodity production and exchange for profit brings about the conditions for crisis. In this sense a boom is only a pre-condition for a slump. Contrary to the assertion of the Prime Minister Mr Brown, while capitalism exists there will always be “*boom and bust*”.

As Marx sums it up:

Since the aim of capital is not to minister to certain wants, but to produce profit, and since it accomplishes this purpose by methods which adapt the mass of production to the scale of production, and not vice versa, a rift must continually ensue between the limited dimensions of consumption under capitalism and a production which forever tends to exceed this immanent barrier.

CAPITAL VOLUME III Chapter XV *Internal Contradictions of the Law*, Lawrence and Wishart, 1972, p 256

Marx wrote of this contradiction a little later:

The contradiction of the capitalist mode of production... lies precisely in its tendency towards the absolute development of the productive forces, which continually come into conflict with the specific conditions of production in which capital moves, and alone can move.

Ibid., p 257

It is, therefore, unavoidable that periodically some industries find they have overproduced for their particular markets, and are compelled to cut back production and stand workers off, with all the repercussions this increase of unemployment and curtailment of buying has on other industries.

Marx had already stated this. He wrote:

Crises are always but momentary and forcible solutions of the existing contradictions. They are violent eruptions which for a time restore the disturbed equilibrium. The contradiction, to put it in a very general way, consists in that the capitalist mode of production involves a tendency towards absolute development of the productive forces, regardless of the value and surplus value it contains, and regardless of the social conditions under which capitalist production takes place; while, on the other hand, its aim is to preserve the value of the existing capital and promote

its self-expansion to the highest limit.

Ibid., p249

For Marx the accumulation of capital always entailed capitalist crisis.

The real barrier of capitalist production is capital itself. It is that capital and its self-expansion appear as the starting and closing point, the motive and the purpose of production; that production is only production for capital and not vice versa, the means of production are not mere means for a constant expansion of the living process of the society of producers.

Ibid., p 250

Each capitalist anticipates a potential market for their commodity, and anticipates the price at which it may be sold. But time and time again, capitalists find no buyers who are prepared to pay the necessary price. Because capitalism is a system in which branches of the same industry develop independently, in competition with one another, capitalists may find that on entering the market they are met by competitors who can produce at a lower price, or by no buyers at all because they have decided to invest elsewhere.

As Marx dryly puts it: “*commodities are in love with money, but the course of true love never did run smooth*” (CAPITAL VOLUME I, Chapter III *Money, or the Circulation of Commodities*, p 109). Unlike the media and politicians, Marx demonstrated that capitalism could never be run in the interest of the working class. Instead, he advocated the abolition of the wages system through conscious political action by the working class.

From A letter of protest sent to THE ECONOMIST

Sir

You quote Solzhenitsyn's words: “DON'T LIE! DON'T PARTICIPATE IN LIES! DON'T SUPPORT LIES!” And your editorial (9 August 2008) is about “*speaking truth to power*”.

This seems to me a clear case of people in proverbial glass houses... Your editorial states - as fact - that “*the Communist Manifesto went on to enslave half mankind*”.

But to those of us who take the trouble to dig about in the facts, it seems high time we all got rid of that ‘accepted idea’ that the 1917 Russian revolution, with the subsequent Bolshevik dictatorship, was down to Marx and Engels.

Lenin's ideas on revolutionary organisation were published in his book WHAT IS TO BE DONE? These ideas owed nothing to Marx, but a lot to Russian revolutionaries such as Pyotr Tkachov, who has been described as “*the first Bolshevik*”.

Marx and Engels urged a bottom-up, democratic, class revolution, one which would bring about an end to the wages system. But Lenin's party seized power as a minority faction, and so could only hold power by means of dictatorship, backed by censorship and lies.

Like the notion that Stalin had been a great war-time leader, the persisting lies about the Russian regime being some form of ‘Socialism’ or ‘Communism’ have been exceptionally long-lasting. The more they are repeated, the more we will all be brainwashed into believing these “*arsenals of lies*”.

NOTE

As usual, our letter was not given space in the Letters page of THE ECONOMIST – so much for ‘the truth’.

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Capitalism's New Crisis - What Do Socialists Say?

The Socialist Workers Party (SWP) is a despicable and opportunist, capitalist political party, a representative of the political poison known as Leninism. The leadership of the SWP, like Lenin, have an utter contempt for the working class. That includes the vast majority of their membership, who its leaders believe are not cut out for anything but marching and shouting out slogans.

And this is precisely what some 200 SWP demonstrators were recently told to do. In October 2008, they massed in the City of London, carrying banners which attacked the “*Greedy Bankers*” as the cause of the economic crisis.

But not capitalism. It did not occur to the demonstrators that the workers’ interests under capitalism are opposed to *all* sections of the capitalist class, whether bankers or industrialists, landlords or commercial magnates. All capitalists participate in the exploitation of the working class.

The SWP has rushed out a new pamphlet, CAPITALISM'S NEW CRISIS: WHAT DO SOCIALISTS SAY? written by their theoretical leader, Chris Harman. This pamphlet shows the vast gulf between the Socialism advocated by the Socialist Party of Great Britain, and the capitalism offered by the SWP.

After looking at crises and why crises occur, the SWP states that: “*To finally get rid of capitalist crises... you have to get rid of capitalism*” (p 33). The SWP say that this is easier said than done. They point out that the capitalist class, owning the means of production, are backed up by state power; ideology and physical force. The SWP suggest that there are some “*simple arguments that can be put forward*”. They believe that regulation or the nationalisation of just one or two banks is not enough. The SWP, instead, argue for “*a takeover of the whole banking system*” (p 33). They go on to propose the nationalisation of the oil, gas and coal industries, as the solution to both “*the world’s energy crisis*” and to climate change.

This proposal is nothing to do with Socialism - the common ownership of the means of production and distribution by all of society. However, it has everything to do with retaining capitalism. When the Labour Government nationalised the oil, gas and coal industries after the Second World War, this was carried out for the benefit of the capitalist class as a whole. It had nothing to do with Socialism. In fact, workers still had to sell their ability to work for a wage and salary, they were still exploited by producing surplus value; and when the nationalised industries had to make cut backs, many thousands of workers were made redundant.

Yes, Socialism is the answer to the economic crises of capitalism. But the policy advocated by the SWP is not Socialist but capitalist. Socialists argue that workers must not only understand capitalism and why it cannot be made to work in their interest, but need to also organise consciously and politically in order to replace the profit system with Socialism.

Whereas the SWP wants to lead the working class, the SPGB wants workers to think for themselves and establish Socialism through their own political party, with Socialism and only Socialism as the objective. The SWP only offers capitalism as an objective - which is no alternative at all.

The SWP also offers immediate reforms - an immediate set of demands. In this, the SWP are only repeating the mistake of the Social Democratic Parties, at the end of the 19th century, who had a series of immediate demands and a “*Socialist*” objective. Millions of workers were attracted to the reforms, but not to the objective which, in many cases, was quietly dropped.

At its formation in 1904, the SPGB stated that it opposed a reform programme, and said that for the working class it was all or nothing. There can be no stepping stones to Socialism - only conscious political action by a Socialist majority. The task of Socialists is not to offer reforms but to build up a Socialist party of committed Socialists, understanding Socialism and wanting *nothing but Socialism*

. The SWP are political cowards inasmuch as they do not want a list of reforms pinned to their own, capitalist, objective. Instead they have set up a front reform body called A PEOPLE FOR PROFIT CHARTER. This is a list of ten reform measures ranging from “*wage increases no lower than the rate of inflation*” to an increase in the minimum wage. There is no mention of capitalism or Socialism. It is a piece of political deceit.

And it will fail to achieve anything for the SWP. They believe the working class are too stupid to understand the case for Socialism. But, for all their crass opportunism, they have remained a small party committed to capitalism. They deserve to fail. They will fail.

The SPGB state that the working class has only one immediate need, and that is freedom from class exploitation: this can only be achieved through the establishment of Socialism.

The Socialist Party of Great Britain remains hostile to all political parties like the SWP who lend their support to the maintenance of capitalism, whether by advocating nationalisation policies or a list of social reforms.

The SPGB has never relied on the appearance of some “*final crisis*” as a precondition for Socialism. We hold that capitalism will not collapse: crises are part and parcel of how this system works. Likewise with the “*ecological catastrophe*” scenario. Both of these would bring unbelievable misery and chaos. These are not conditions which would make it easy to establish Socialism.

We are practical people. We know that to establish Socialism requires the world’s workers to organise together with a clear understanding of how the capitalist system goes against their interests as a class; of the need for a democratic, class-conscious political organisation for Socialism and nothing but Socialism; and of what world Socialism would mean for their future.

We urge you – if you really want a meaningful change for the better – to join with us in working to rid the world of capitalism, and to build a new, classless society based on “*the common ownership and democratic control of the means of producing and distributing wealth by and in the interest of the whole community*”. This has never yet been tried: capitalism has been tried but also brought many serious problems with it. Reforms too have been tried, and only brought more problems. The only ‘reform’ that has not been tried is Socialism and the abolition of the wages system.

Capitalism: A Global Problem

While every British firm is planning to sell its products in the world market, so are similar firms and governments in every other country. They do not know very much about the eventual size of the potential world demand for their products, and they know less still about the total supply there will be to satisfy the demand when all these unrelated plans for expanded production are completed and the bigger flow of products pour out. They all hope to get a large enough share of the market, and all hope that the price they get will be a profitable one. They all hope but they cannot know. They all gamble on the future. And every now and then the gamble produces chaotic conditions of such extent as to disorganise all markets and slow down all production. Capitalism is that sort of system, and there is no cure except Socialism.

From SOCIALIST COMMENT, Socialist Party of Great Britain, 1962, pp 16-17

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Leninism: Autopsy of a Failed Policy

Although Lenin and Leninism are now utterly discredited, there are still those who cling to the absurd political belief in a professional elite leading the working class to Socialism. To understand the failure of Lenin and Leninism, we first need to consider the claims of Lenin about democracy.

His claims centre on Louis Blanqui. A member of the Carbonari society since 1824, Blanqui took an active part in most republican conspiracies during this period, taking part in the July Revolution of 1830. In 1839, a Blanquist-inspired uprising took place in Paris in which the League of the Just, forerunners of the Communist League, participated. Implicated in the armed outbreak of the Societe des Saisons of which he was a leading member, Blanqui

was condemned to death in 1840, a sentence later commuted to life imprisonment. It was Blanqui who popularised the idea of conspiratorial armed revolt by a small minority, and the creation of a dictatorship to overthrow capitalism.

In their younger days, Marx and Engels favoured the idea of armed revolt, and gave as an example the revolutions of 1848. And in 1857, Engels and Marx were full of hope that the developing economic crisis would be the signal for a working-class uprising. As it happens, the crisis passed off with hardly any political response from the working class. But Engels told Marx that this was to be the great clash between capital and labour and he told Marx that he was busy studying military tactics in order to be ready for it (LETTERS

, 15 November 1857, Moscow, p 86). But later in life, with greater experience, both Marx and Engels changed their minds about armed revolt. In 1895, in his *Introduction* to Marx's THE CLASS STRUGGLE IN FRANCE, Engels wrote: "*The rebellion of the old style, the street fight behind barricades, which in 1848 gave the final answer has become antiquated*".

Engels gave two reasons for his change of mind. The first was the technical development of the armed forces in the hands of the state authorities. The second reason was that the seizure of political power by a minority would not achieve Socialism because the establishment of Socialism requires the understanding and support of the great mass of workers.

Engels wrote that whilst it is a question of "*the complete emancipation of society*" the working class themselves "*must participate and understand what is at stake and why they must act*". In short, for Socialism to be possible, a majority of workers must attain class consciousness and take political action as Socialists. And Engels drew the logical conclusion that to win over the working class to the case for Socialism requires "*long and persistent work*". So much for the views of Marx and Engels.

Now, where did Lenin stand on this? What was his position on the necessity for the great mass of workers to understand about Socialism? *Lenin totally rejected this core Marxian principle.*

In his book WHAT IS TO BE DONE? (1902), Lenin discussed the idea that the workers would understand Socialism. He said that there was a distinction between Social Democratic consciousness and trade union consciousness. He said that Socialist ideas could not come from the working class. Socialist ideas could, he believed, only derive from the educated representatives of the propertied class; the '*intelligentsia*'. The working class could only gain trade union consciousness, and that was as far as they could go (see Panther ed., p 80).

And it was Lenin who said:

If Socialism can only be realised when the intellectual development of all the people permits it, then we shall not get Socialism for about 500 years.

Quoted by John Reed, TEN DAYS THAT SHOOK THE WORLD, p 263

Blanqui and Lenin

Now what about Blanqui and Lenin? Lenin was accused by Bernstein of being a Blanquist and vigorously repudiated the charge. You can read this in ON THE EVE OF OCTOBER, written by Lenin in October 1917 (see COLLECTED WORKS, pp 799-800). Lenin's answer to Bernstein was that the coming Communist seizure of power was not based on a "*conspiracy*" and not based on a party of intellectuals (the membership of the Bolshevik Party was quite small). But it was based "*on the advanced class*" and evidence of this, he said, was because they had got the support of "*a majority of the workers and soldiers of the capitals*" (that is, Petrograd and Moscow). So the Bolsheviks did succeed in seizing power - due as Trotsky admitted, to the fact that they were faced by a government army that was disintegrating and did not want to fight.

But Lenin's argument is a specious one. Getting political power in exceptional circumstances is one thing but to be able to use that power to establish Socialism is quite a different matter. Blanqui's argument had been that the armed minority seizes power and then, as Engels said in the *Introduction* to THE CIVIL WAR IN FRANCE (Moscow

1971, p 15).

... to maintain power until they succeeded in sweeping the mass of the people into the revolution and ranging them round the small band of leaders. This involved, above all, the strictest, dictatorial centralisation of all power in the hand of the revolutionary government.

And remember that, for the reasons already quoted, Engels repudiated this political doctrine as “*antiquated*”. But it was precisely this Blanquist tactic that Lenin was following. The great mass of the Russian population were peasants and were not the slightest bit interested in the establishment of Socialism.

The slogan of the Russian Communist Party was not Socialism but “*Peace, Bread and Land*”. The implications were that, if they supported the Bolsheviks, the peasants would be fed and get land on which to farm.

When it met on 18 January 1918, out of 707 elected deputies the Constituent Assembly had only 175 deputies - a clear minority. So it was immediately dissolved by Lenin and the Bolsheviks by armed force. The argument put up by the Bolsheviks to defend their *coup d’etat* was that, between the election and the meeting of the Assembly, the Communists believed that the electors had changed their minds. The Bolsheviks let it be believed that fresh elections would be held in the future but they never were.

So Lenin was in practice a Blanquist, not a Marxist, despite what he said. The Constituent Assembly, based on democratic elections, was replaced by Soviets, with the voting rigged to give the Communist Party the majority. And from 1917 up until 1991, when the Communist Party lost power, there was only one legal political party in Russia. Everyone had a vote but the only candidate was drawn from a list of Communist Party members, or was approved by the Party and was allowed to stand.

Lenin and Leninism proved a theoretical and practical failure. The dictatorship of the Communist Party and its monopoly on whom and who could not be elected bought Socialism no nearer. It was the action of men like Lenin who acted as an anchor break on the development of Socialism not the working class.

In fact, it was members of the working class, who in 1904, two years after the publication of WHAT IS TO BE DONE?, went on to establish the Socialist Party of Great Britain with a Socialist programme.

The SPGB rejected the need for leaders, and accepted Marx’s principle that the establishment of Socialism had to be the work of the working class alone. And the Party argued that workers could be persuaded to accept the Socialist case.

In 1918, the SPGB also rejected, on Marxian grounds, the claim that Socialism was being established in Russia

Lenin and Marx

Lenin totally rejected a basic principle stated by Marx in the Preface (1867) to the first edition of CAPITAL VOLUME I. Marx had laid down the principle that one nation can and should learn from others - specifically that other nations could learn from the development of the ruling class in England:

Even when a society has begun to track down the natural laws of its movement... it can neither leap over the natural phases of its development nor remove them by decree. But it can shorten and lessen the birth-pangs...

Pelican edition. p 92

Lenin specifically repudiated the whole of this sound analysis. Instead of Russia learning from England, Lenin claimed to be showing how industrially backward Russia could teach all the industrially advanced nations. And he and the Bolsheviks tried to evade the “*successive phases of its natural development*” by means of bold leaps and legal enactments.

A crude, reactionary and “*antiquated*” policy was exported by the Bolshevik dictatorship, from Russia into the advanced capitalist countries, and was enthusiastically embraced by intellectuals all falling over themselves to lead the working class to a similar form of capitalism.

Lenin was not a student of Marx, but an awful warning of what happens when a bogus Marxist thinks he can ignore the scientific principles of Marx, ignore history, ignore the consequences of having to formulate policy in an industrially backward country, and impose industrial development by dictatorship, the secret police, political prisons, and repression. Socialism and the working class are still bearing the brunt of this failure today.

Some Fundamentals of Scientific Socialism

The principles of Socialism are to be found defined and elaborated in the works of Marx and Engels, who gave a scientific basis to Socialist thought.

Scientific Socialism explains how and why society evolves, how one social system is replaced by another. It is one of the main conclusions of Socialist thought that Socialism cannot arise BEFORE the economic basis is ripe for it. And this is sound common sense. Each economic system is a growth arising out of the previous system. Capitalism grew out of Feudalism and could not, as a system, precede it. A new society cannot come into being until the need for it and the practicability of it arises. Hence Socialism could not precede capitalism, for Socialism requires a very high level of production, giant machines, and an educated and trained population to work them. It is capitalism which provides these, and it is because capitalism cannot use the means of production for the benefit of society that the need for Socialism arises... Socialism can be established only when the working class are ripe for it. The development of capitalism creates a world-wide working class with identical interests, and presents it with problems the solution of which requires the abolition of capitalist society and the establishment of Socialism. From RUSSIA SINCE 1917, Socialist Party of Great Britain, 1948, pp 86-87

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Recession Again

It should be noticed that the media apologists of capitalism like to use the mildest terms they can to describe the system's convulsions. Recession does not sound so severe as slump or economic crash. However, when the Chancellor says that "*Britain is facing arguably the worst economic downturn in 60 years which will be more profound and long-lasting than people had expected*" (GUARDIAN, 30 August 2008), nobody can misunderstand what he means, and there can be no doubt who will suffer the worst effects of the 'down-turn' - it will be the working class as always. The same newspaper told of a warning from the Bank of England policy-makers that "*two million people could be out of work by Christmas*".

Darling blames the 'credit crunch', and says the rest of the world is in the same straits as Britain. In referring to the equally severe downturn of 60 years ago, he failed to note that there was no 'credit crunch' then. "*Sixty years ago*" takes us back to 1948, and there was a Labour Government in power running capitalism then, too. The conditions then were blamed on the war which ended in 1945, a war in which the Labour Party served in Churchill's war government, in which millions of workers lost their lives, and many thousands of workers in London and other cities had their homes bombed.

Has it escaped Darling's (and Brown's) attention that other commentators have compared this recession with the one in the 1990s and even the bigger crash of the 1930s? Capitalism is an inherently unstable society full of imponderables.

The profit motive dictates that only maximum output is acceptable for the renewal of capital investment. The contradiction is that the world market always remains the great unknowable and, with the competition of rivals all seeking to grab the lion's share of the market, glut becomes a factor, leading to falling prices and profit margins which, in turn, lead to cut-backs, bankruptcies and unemployment.

Workers as employees spend their lives at the disposal of the owners of the means of production, hired and fired as

markets expand and inevitably contract. For Darling and Brown and the rest of the bourgeois apologists to blame the ‘downturn’ in Britain on a world recession and the ‘credit crunch’ only begs the question as to why these things happen if capitalism is not inherently unstable.

It was poverty in America among millions of workers who had bad debts that triggered the ‘credit crunch’, the loss of confidence among the banks that followed the Northern Rock fiasco, meant that lending was curtailed because of bad profit expectations. Many thousands of workers in the US and the UK face repossession of their homes as part of the ensuing mortgage crisis.

Under the headline: *Mortgages approvals slump to a new low* (1 September 2008), TELETXT told us that mortgage approvals dived by 71% in the past year to a new record low. In July 2008 there were only 33,000 approvals, down from 114,000 in July 2007 (Bank of England figures). It is convenient for Brown and Darling to use the cop-out that: *“Every country is facing the impact of rising oil prices, every country is facing the impact of rising food prices”* (GUARDIAN, 30 August 2008). And to add: *“we have got to look at what we can do nationally on these issues”*.

This is an admission that they have no policy and that the world forces of market capitalism are beyond their control, but this is not what Blair and Brown were saying in 1997 or in 2004, when a rosy future and an end to poverty were used as a means to gain power. There was no proviso: “prosperity subject to no world problems”.

Today’s Labour Government is a worthy successor to previous Labour Governments, which went into war in Korea and launched the development of Britain’s arsenal of nuclear weapons. They are involved in two wars in Afghanistan and Iraq, where workers in their ignorance are killing their fellow workers.

It affords us no pleasure to refer to the workers as ignorant but, in following leaders and voting for capitalist politicians against their own interest, there is no word more appropriate. It is a tragedy that the great majority of workers, in this country and throughout the world, instead of uniting in their common interests to end capitalism, are still prepared to kill and die for the ruling classes that live from their exploitation.

For as long as capitalism remains, this recession will not be the last. It is a simple case of cause and effect. Workers have it in their power to use their vote to end the mad-house of capitalism.

But first they must become politically conscious and class-conscious. They must understand the need to change society-worldwide; they must realise that Socialism - which has never been tried - will be a society of commonly-owned means of production, a classless system without money, wages or markets, where all the useful things we need will be provided by co-operation solely to meet human needs. Majority, democratic, understanding is the key to a world without wars and poverty. There will be no “*recessions*”, and no stumble bums such as Darling and Brown.

The Socialist Party of Great Britain has always promoted understanding and has never had any leaders. Our appeal is to ordinary workers like ourselves. The solution, Socialism, awaits the urgent need for workers to grasp it.

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Keynesianism: Resurrecting Past Failures

With the collapse of economic liberalism as a policy which promised to ensure a crisis-free, harmonious and self-adjusting market, governments are increasingly returning to the economic ideas of Keynes. Gordon Brown, for example, is planning to inject billions of pounds of emergency funds into new schools and hospitals to stimulate the economy, as British capitalism passes from crisis to depression and the unemployment figures approach 2 million (INDEPENDENT ON SUNDAY, 19 October 2008).

Keynesianism is a failed policy, last seen in the 1970s when it failed to prevent stagflation; a depression plus inflation. So why did Keynesian doctrines fail?

The reason why government spending on creating jobs does not reduce the number of unemployed workers is simple. Every increase in government spending in one direction is cancelled out by an equal amount of spending elsewhere. This can be seen in the trade unions' scheme in the 1970s to create jobs in the Health Service by reducing defense expenditure. If the government creates 200,000 jobs in the Health Service and sacks 200,000 workers in the armed forces, it does not reduce the total number unemployed.

But this is equally true of any government increase of expenditure. The only way that it can be paid for is by reducing the purchasing power of taxpayers by an equal amount.

History treats Keynesians with unsentimental savagery. But their failure to deliver sustained full employment is not so quite straightforward.

We start with Roosevelt's New Deal in the US from 1932 to 1939. The New Deal was a Keynesian policy. Keynes discussed the policy with Roosevelt. The New Deal did what the Keynesians say a government should do. It greatly increased government expenditure. So it ought to have got unemployment down to negligible levels. But in 1938, after six years of the Roosevelt Keynesian policy, unemployment was still at the peak level of 19 per cent.

The second example of the failure of Keynesian theory relates to the record of Labour Governments in the twentieth century (excluding the 1997 Labour one). In the half century 1924-1979, there were four periods of Labour Government. In the first period, 1924-1931, the Labour Party was anti-Keynesian. It was because Labour would not adopt a Keynesian policy that Sir Oswald Mosley, one of the Labour Ministers in charge of Unemployment, resigned and formed his fascist organisation. In the second period, from 1945-1951, and in the third and fourth periods, 1964-1970 and 1974-1979, the Labour Party were Keynesians.

But, and this is the crucial test, in every one of those four periods of Labour Governments, unemployment was higher when they went out of office than when they went in.

It remains to be seen whether this Labour Government finally goes out of office with unemployment at a higher rate than when they formed the 1997 government under Blair. The odds are against Brown's Government.

The dole queues did not take any notice whether the Government was supporting "*good old Keynes*" or not. Consider the way in which the government's Keynesian policy collapsed in 1976. The Keynesians have two policies. The first is to cure unemployment, and the second is to cure inflation. The cure for unemployment is for the government to spend a lot more money, without an increase in taxation. The government raises the rest by borrowing from investors which increases the national debt. It is called running a budget deficit. The other policy is to cure inflation. This requires the government to do the opposite by running a budget surplus. This surplus is then used to reduce the national debt.

There is no problem for the government when only unemployment is going up and prices remain stable. The government runs a budget deficit. And there is no problem when only prices are going up and unemployment stays low. The government then runs a budget surplus.

But what does a Keynesian government do when unemployment and prices are *both* going up fast *at the same time*? This is like a patient with a serious heart condition who is also overweight who is told by his doctor that for the sake of his heart he must avoid all violent exercise, but must also run five miles every day to get his weight down. Faced with this impossible situation the Labour Government in 1976, decided to drop the Keynesian cures and try Monetarism - which did not work either.

The falling rate of unemployment enjoyed by the incoming Blair government of 1997 would have happened whatever government came to power then. And capitalism will go its own way, despite the policy pursued by the government of the day. Capitalist politicians cannot prevent "*boom and bust*". When capitalists - those that are left in the market - see favourable conditions again, they will start investing capital again and exploiting workers in greater numbers, so bringing the unemployment level down.

From the perspective of the working class, all this is totally unnecessary. Unemployed in conditions of poor trade and exploited in conditions of good trade, workers are caught between the devil and the deep blue sea. Far better to understand that capitalism can never be made to work in their interests and replace capitalism with common ownership and democratic control of the means of production by all of society.

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The Anarchy of Capitalist Production

Marx's study of capitalist production and exchange for profit led him to understand that the anarchy of the market; its contradictions and conflicts, lead to periodic crises, with all the social problems market failure entails for the working class: periodic high unemployment, loss of homes, and social problems like crime, drug abuse and poverty.

The abolition of capitalism and the establishment of Socialism by the working class was Marx's considered solution for the failure of capitalism to meet the needs of all society. He wrote CAPITAL to show why there can never be harmony between capitalists and workers, and why periodically capital accumulation leads to destructive consequences like economic crises, rather than the smooth equilibrium hoped for by the economists. He said that capitalism develops in cycles: capitalism periodically moves through crisis, depression, revival, boom, and then crisis again.

Crises are never more than momentary, violent solutions for the existing contradictions, violent eruptions that re-establish the disturbed balance for the time being.

CAPITAL VOLUME III, Chap. 15 (ii),

Development of the Law's Internal Contradictions, p 249

Academic economists, like Evan Davies, do not like the recurrence of economic crises and depressions because this goes against their deeply held but flawed belief that the market is harmonious and self-adjusting. They use the anaemic word 'recession' rather than 'depression' to give the false impression that capitalism will never return to the 1930s unemployment which so scarred a generation of workers.

In the DICTIONARY OF ECONOMICS (Pelican 2004), of which Davis was a co-author, it is stated that a depression has not occurred since the 1930s, while a 'recession' is defined as merely two successive declines in gross domestic product. Here economics masquerades as political propaganda.

Yet at the end of September 2008, after the collapse of Lehman Bros, the nationalisation in the US of AIG by a Republican administration, and the problems of HBOS in Britain, the word 'depression' had taken over the headlines as we were told by media pundits that a return to the 1930s was on the cards. A poll of workers in the US believed a depression was imminent. The world economy is entering a major downturn in the biggest financial crisis since the 1930s, said the International Monetary Fund (IMF) (CNN, 8 October 2008).

We were not told how many economists lost their jobs. As the old joke goes: when your neighbour loses his job, it is called an economic slowdown; when you lose your job, it is a recession; but when an economist or a banker loses his job, then it becomes a depression.

When capitalism goes wrong, it is not long before Marx appears in the media, like Banquo's ghost at the banquet. Under the heading *Crisis and Capitalism* THE TIMES newspaper (17 September 2008) approvingly quoted Marx: *Capital is money, capital is commodities. By virtue of it being value, it has acquired the occult ability to add value to itself. It brings forth living offspring or, at least, lays golden eggs.*

Although THE TIMES does not give a source for the quotation, it came from CAPITAL VOLUME 1, chapter 4, *The General Formula for Capital* (Penguin, p 255). This quotation actually relates to the circulation process of money capital being invested to create more money capital (M-C-M1), where an original investment of money brings forth additional money - as if by magic. As used by the TIMES editorial, the quotation is taken out of context and has no bearing on the 'credit crunch'. Marx dealt with credit in the third volume of CAPITAL, and his only aim in the first

volume was to give a critical account of capitalist production. Clearly the TIMES leader-writer had looked for a juicy quote from Marx to make his editorial look good but had no clue as to what Marx was writing about. So much for a college degree from a top university.

In fact, the goose that lays the golden egg to which Marx was referring in the above quotation is the working class, who produce more social wealth in a working week than they receive in wages and salaries. The golden egg they lay for the capitalist class is ‘surplus value’ - Marx’s explanation for the appearance of money breeding money.

However, it is an indication of the panic engendered by the economic crisis within the ruling class that sees Marx, The Depression, and Capitalism all used together, in the same TIMES editorial.

The DAILY MAIL was also anxious about the political consequences of the crisis. They had a middle-page spread, written by Richard Branson entitled *In Defence of Capitalism*, in which Branson tried to give a defence of a system he clearly did not understand but only got rich from (DAILY MAIL, 26 September 2008). A few days later in the same paper, the food critic and film director Michael Winner said that he had absolute faith in capitalism. It is doubtful if his faith will remain when his broker tells him his financial portfolio is now worthless. Faith cannot buy food at smart restaurants, particularly when many are now shutting down. Many of the smart restaurants visited by Michael Winner around the City are no longer there. During the last depression, many a trendy restaurant went back to being a sandwich bar or charity shop.

The crisis, for Marx, was the decisive feature of the trade cycle because it is a connecting point with the main contradictions of capitalism; the primary contradiction being the restraint imposed by production for profit on the free development of the forces of production.

The productive forces – science, techniques of production, means of production, and social labour - are constrained in that they are not being utilised to their full capacities: that would require new social relations; ones associated with Socialism. Not hampered by the wages system and commodity production for profit, Socialism would allow the forces of production to be developed to meet the social needs of society.

Marx did not offer an apology for capitalism but rather offered a scientific explanation for its conflicts and contradictions. For example, the periodic rise in what he called “*the industrial reserve army*” of the unemployed was one of the defining features of an “*economic depression*” - a consequence of crisis and the problems associated with capital accumulation.

Social labour is part of the forces of production. An economic crisis renders part of this social labour periodically inactive, and in large numbers. This failure to introduce or utilise the available productive forces is an example of what Marx called “*fettering*”, demonstrable with the occurrence of either persistent unemployment over trade cycles or intensively during an economic depression. The effect of a depression for the working class is one of hardship and uncertainty.

In the economic textbooks on the so-called ‘business cycle’, little is said of the consequences for workers who cannot be profitably employed: marriages break-up, there is illness and mental depression, houses are repossessed; there is hardship, and the ignominy of the unemployment office and the job centre. High periods of unemployment are associated with social alienation; crime, violence, and drug and alcohol abuse.

Economic crises have a human cost for the working class. Unemployment often leads to desperation, misery, and loss of self-esteem. An unemployed banker recently said that unemployment was similar to bereavement. J A Schumpeter, the Austrian economist, callously called economic crises “*creative destruction*” (CAPITALISM, SOCIALISM AND DEMOCRACY, 1942, pp 82-85). But there is little creativity in the destruction of people’s lives.

In CAPITAL VOLUME III, Marx stated that crises are “*always only momentary and violent solutions of existing contradictions*” (Chap. XV, p 249), and determine its development. A crisis serves the purpose of periodically reining in the forces of production through the temporary establishment of unemployment and idle machinery, the destruction or stock-piling of commodities, and the imposition of limits on production, in accordance with its narrow foundation of commodity production and exchange for profit.

Economic crises do not eliminate the contradiction between the social character of production and the private-capitalist nature of its appropriation.

In WAGES, PRICE AND PROFIT, Marx wrote:

... capitalist production moves through periodical cycles. It moves through a state of quiescence, growing animation, prosperity, overtrade, crisis and stagnation.

SELECTED WORKS vol. I, p 440

So long as the profit system remains in existence, crises will continue to occur in capitalism, along with all their attendant social problems of unemployment, discomfort and unpredictability .

Marx often refers to the term “*contradiction*”. ‘Contradiction’, in the Marxian sense, is not used in the same way as in formal logic or everyday speech which assumes a fixed time - for example, it cannot be simultaneously raining or not raining. Capitalism, as Marx states right at the beginning of CAPITAL, is in “*motion*”. It is in the movement of capital accumulation that Marx uses the word “*contradiction*”, emphasising the web of social conflicts that it entailed. For example, Marx identified a contradiction in the commodity between its use value, which relates to specific goods and needs, and its exchange value. This basic contradiction is carried through the system of capital accumulation, with devastating social consequences.

During the recent crisis, the media attributed to Marx the phrase: “*Capitalism will collapse under the weight of its own contradictions*”. He never said it. Marx did not hold to a collapse theory of capitalism.

There are those on the capitalist Left who are obsessed with what they believe is a law of ‘the falling rate of profit’. They mistakenly believe this is the ultimate cause of crises, and will eventually lead to capitalism’s breakdown.

They are hopelessly naïve First; Marx saw the falling rate of profit merely as a tendency and offered a number of counter examples. Second, only the conscious and political action of a working class socialist majority could replace the profit system with production for use. Marx was to add in THEORIES OF SURPLUS VALUE that “*there are no permanent crises*” (VOLUME II, Part II, p. 269).

From The Communist Manifesto, 1848

In these crises there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity – the epidemic of overproduction... And how does the bourgeoisie get over these crises? On the one hand, by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones. That is, by paving the way for more extensive and more destructive crises, and by diminishing the means by which crises are prevented.

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Labour's Con-Ference

Despite vacuous statements in the DAILY EXPRESS (24 September 2008) about “*hard-left Socialism*” and “*plenty of socialist fantasy*”, in relation to Gordon Brown’s conference speech, the Labour Party has always been a capitalist party, never a Socialist one.

The fact that Brown and his Party have been in power for eleven years and the gap between the rich and poor is widening, shows not only that the rich and poor division that characterises capitalism remains, but also that the means of production remain the property of a minority class which lives through the exploitation of wage-labour. The Labour Party has never been anything but an alternative to the Conservative Party for running capitalism.

Eight years after they were formed in 1906, they were supporting World War One. In World War II they were in coalition with the Tories, helping to slaughter millions of workers. The post-war Labour government froze wages and opposed strikes. They also launched post-war rearmament and started the process of building Britain as a nuclear power. Every post-war Labour government has discouraged wage-increases.

Gordon Brown talks of a “*fairer society*”. Even on his terms as a leader of a capitalist party, this is an admission that after eleven years nothing has changed. How can a society based upon exploitation be fair to those it exploits? These are the working-class majority, wage earners, employees.

Only a few years ago, if a Labour leader made a party conference speech and never mentioned “*Socialism*” however superficially, there would have been comments made. The pretence has long been abandoned. Nationalisation, as a means of running capitalism, failed to solve any working class problem, and when it became a vote loser, that policy was dropped. The damage done in falsely passing it off as Socialism has made the task of genuine Socialists more difficult. This is Labour’s real contribution to workers’ emancipation from capitalism.

At the Manchester hall where Brown spoke, those leader-loving dimwits would have applauded if he had been reading from the Yellow Pages - at times it sounded as though he was. One woman very briefly interviewed by the BBC said his speech was “*all waffle and no substance whatsoever*”. How right she was. There was no mention in the news reports of the anti-war protests outside the hall, and not a single word on the wars in Afghanistan and Iraq inside. It was the same in America: there were huge anti-war protests outside while McCain was speaking, and 200 people were arrested in the land of the “*free*”.

The only fruitful way to be anti-war is to be anti-capitalism: that means to be in favour of Socialism. The Socialist Party of Great Britain has always condemned the pro-war capitalist Labour Party. The real challenge facing the world’s workers is to understand Socialism, and use their political enlightenment to bring it about. This will mean a world without classes, trade, money or markets, and certainly no leaders. With the means of production held in common by all mankind, people will co-operate to produce useful things (goods and services) solely to meet human needs.

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The Fashionable Resurgence of Marxism

You cannot open a newspaper without an article on Marx and economic crisis. They are usually of a poor standard and show no indication the author has read Marx on the subject. Nevertheless, the media are very worried about workers beginning to engage with Marx’s ideas. They even see Marx as being in fashion again.

Sarah Sands, a former editor of the DAILY TELEGRAPH, explained why:
The world is carved up behind our backs by the rootless rich, whose only allegiance is money. The understanding of this is what is behind the fashionable resurgence of Marxism.
INDEPENDENT ON SUNDAY, 26 October 2008

Not so “*rootless*”. The ability to amass money comes from exploiting the working class, and the capitalist class can only do this by having the means of production protected by the capitalist state. It is only because of the patronage of Putin’s gangster state that the multi-billionaire Mr Deripaska holds onto his wealth. And he does not entertain politicians on his yacht, any more than Rupert Murdoch does, without pay back.

In truth, a “*resurgence of Marxism*” would see a growth in the numbers of Socialists, acting consciously and politically on Marx’s maxim - “*the abolition of the wages system*”.

Capitalism from time to time develops acute industrial and financial crises; and at the depth of these it does appear to many observers that there is no way out, and that society cannot continue at all unless some way out is found. Men of

very different social position and political convictions have been driven to this conclusion – reactionaries and revolutionaries, bankers and merchants, employers and wage-earners... [But] the fact of another crisis taking place is proof enough that the earlier crises did not turn out to be insoluble – the patient cannot have more than one fatal attack.

From WHY CAPITALISM WILL NOT COLLAPSE, SPGB, 1932, pp 4-5

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From Our Correspondence

Dear Sir/Madam

I have come across your web-site and believe you have missed the boat of history. The search for an alternative to capitalism is fruitless in a world where the market has become utterly dominant, and no final crisis is in sight or, short of some ecological catastrophe, even really conceivable.

The socialist alternative has lost its credibility, while contemporary anti-capitalist movements seem to lead nowhere, because of their failure to provide a credible and constructive alternative that is compatible with existing patterns of production and consumption.

Those who wish to reform the world should focus on the potential for change within capitalism. There are different capitalisms, and capitalism has gone through many transformations. Reform does, however, require an engagement with capitalism and cannot be accomplished by movements or political parties like your own that stand outside it and merely demonstrate against it or criticise it.

J. F.

Our Reply To JF

Thank you for contacting us. If we read your argument correctly, you believe that capitalism is not exactly perfect – changes are needed but in your view these changes are to be achieved *within* capitalism.

You are of course right in saying that capitalism “*has gone through many transformations*”, and it follows from this that more reforms of capitalism are possible.

It does not follow that Socialists should waste our time pursuing such reforms. The fact is that capitalism – even after so many reforms and “transformations” - remains a system where many of the world’s people are hungry or homeless; where poverty deprives many of access to medical treatment; where skilled workers are laid off and labelled “redundant”; where the ‘trade cycle’ lurches uncontrollably from boom to bust; and where destructive, fratricidal wars are an extension of international competition.

However much this system is reformed, it can never be one that is in the interest of the working class to support. That is because the working class have to sell their labour power in order to be able to buy what they themselves produce – the means of living (food, clothing, shelter, and much else). The amount they receive as pay is less than the monetary value of what they produce, and the gap between the two is the source of all profits. Employers will employ workers as long as they can expect to make a profit but, when the trade cycle changes, then these workers will be laid off.

It follows that, along with poverty, insecurity is part and parcel of workers’ life under this – so wonderfully reformed – system, capitalism. A lifetime’s labour, and the wage-slave dies with precious little to show for it. Meanwhile, his employers and their shareholders have made quite a packet from his unpaid labour. That is how this system works, and no amount of reforming can change this fact.

You claim that the various “*anti-capitalist movements seem to lead nowhere*”. This is true in that these various movements – Stop the War, etc – exist only as protest movements, focussing on some particular problem of the day. Whatever they call themselves, it is a mistake to see them as being really “anti-capitalism” organisations. When push comes to shove, their supporters usually support the system.

You claim that “*the socialist alternative has lost its credibility*”. We suppose you are referring to the so-called ‘collapse of communism’ and the widely held - but utterly mistaken – belief that Socialism was actually tried in Russia, China, Cuba, etc. Or possibly that the ‘Old Labour’ policy of nationalisation was a Socialist policy.

Nationalisation - which was later called ‘state capitalism’ – leaves workers in the same position as when they are employed by companies and corporations. In Britain, experience even today tells us that workers do not stand to gain from working in the state sector: all too often, governments impose wage restraint policies on public sector workers. These workers’ pay, as a result, tends to lag behind the pay of comparable workers employed in the private sector: e.g. if you compare the pay of nurses working in an NHS hospital, you will find that agency nurses tend to be better paid.

The wages system existed in Soviet Russia just as it did in the ‘free market’ West. Even in the Twenties and Thirties, Stalin’s Russia was trading on the world markets, as part of global capitalism. It suited the Kremlin for political reasons to claim to have established Socialism but the SPGB from the start rejected that claim. Socialism cannot be achieved in a backward country, whose population were mostly peasants, and where an understanding of Socialism was utterly lacking, except for a minority of workers in the major cities.

So we do not accept your assertion that “*the socialist alternative has lost its credibility*”. Since Socialism has – so far – not been established, this claim is premature. The many problems we know of under capitalism suggests to us that the boot is on the other foot: it is *capitalism* which has lost whatever credibility it may have had.

You think we have “*missed the boat of history*” since “*no final crisis is in sight or, short of some ecological catastrophe, even really conceivable*”.

The SWP has always shown its contempt for the SPGB’s insistence on convincing workers on the need to establish Socialism. Nationalisation programmes, street violence, reform programmes, and the political deceit and opportunism pursued by the SWP: these have not brought Socialism closer but have had the reverse effect. The slogan “*the workers want something now*” has never increased the membership of the SWP. The failure of the Anti-War demonstrations, the strained links with radical Islamists, the debacle of Respect, and the recent night of long knives in their leadership demonstrate the hollowness of the SWP’s tactics.

This leads us on to what Socialists do say about capitalism’s new crisis. First, Socialism cannot be imposed upon the working class from above. Socialism requires workers’ understanding and acceptance. A reform programme is worse than useless to a Socialist Party, even as a strategic move.

And secondly, if workers do not want to live through another crisis and trade depression - because there is nothing the capitalist politicians and economists can do to prevent them occurring: then they will have to turn their attention seriously to the Socialism advocated by the Socialist Party of Great Britain, and put forward only one slogan: “*the abolition of the wages system*” (Marx).

From The Communist Manifesto

Now and then the workers are victorious, but only for a time. The real fruit of their battles lies, not in the immediate result, but in the ever expanding union of the workers...

But every class struggle is a political struggle. And that union, to which the burghers of the Middle Ages, with their miserable highways, required centuries, the modern proletarians, thanks to railways, achieve in a few years. The organisation of the workers into a class, and consequently into a political party, is continually upset again by the

competition between the workers themselves. But it ever rises up again, stronger, firmer, mightier...

Of all the classes that stand face to face with the bourgeoisie today, the proletariat alone is a really revolutionary class...

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Object and Declaration of Principles

Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

Declaration of Principles

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (ie land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

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